The Market Mix

How three levels of government affect one business

8.E.2 "Explain how federal, state, and local governments are involved in the economy of the United States."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Circle one mention of each government level, underline one action each level takes, and draw an arrow from each action to an effect it has on the market.

A Sandwich Stand in Briar Creek

1. In the town of Briar Creek, families shop at an outdoor market each Saturday. Maya wants to open a stand that sells hot sandwiches. She needs a refrigerator and asks a bank for a small business loan. A federal program can guarantee part of a qualifying bank loan, which lowers the bank's risk if Maya cannot repay it. Federal inspectors also check the meat at processing plants before it reaches sellers. These actions help a business get started and help protect people who buy its food.

2. The state government shapes what happens at Maya's stand, too. It sets food safety rules that businesses must follow when preparing and storing meals. Maya must keep her sandwich ingredients at safe temperatures. In Briar Creek's state, prepared meals are subject to a state sales tax, so Maya adds that tax to each sandwich bill and sends the money to the state. The state uses tax money to pay for services such as road maintenance. Safer food protects customers, while maintained roads help suppliers reach the market.

3. Briar Creek's local government decides where stands may operate on town property. It issues Maya a market permit and sets the hours for using the public square. Town workers collect trash there and repair the sidewalk beside the stalls. These services make the space usable for shoppers and sellers. If Maya ignores the permit rules, the town can require her to change how she operates. Federal, state, and local actions reach the same sandwich sale, but each level makes different decisions that affect costs, safety, and access.

2 ANSWER WITH EVIDENCE

Use the passage

1. How can the federal loan program affect Maya's ability to start her stand?

2. How do federal inspectors and state food safety rules each help protect Maya's customers?

3. How does the state sales tax affect a sandwich sale, and how can state spending help the market?

4. How do the town's permit rules and services affect where Maya sells and how people use the market?

3 YOUR TURN

Your own words

Imagine a bicycle repair shop opening near a public park. In four sentences, give a new, realistic example of an action each level of government could take, and explain how each action would affect the shop or its customers.

ANSWER KEY

The Market Mix

GRADE 8 · 8.E.2

PART 1 · READ AND MARK

Circle one mention of each government level, underline one action each level takes, and draw an arrow from each action to an effect it has on the market. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How can the federal loan program affect Maya's ability to start her stand?	**By guaranteeing part of a qualifying bank loan, the federal program lowers the bank's risk and may help Maya get a loan for a refrigerator.**
2	How do federal inspectors and state food safety rules each help protect Maya's customers?	**Federal inspectors check meat at processing plants. State rules require businesses to prepare and store meals safely.**
3	How does the state sales tax affect a sandwich sale, and how can state spending help the market?	**Maya adds the tax to the bill and sends it to the state. State spending on road maintenance can help suppliers reach the market.**
4	How do the town's permit rules and services affect where Maya sells and how people use the market?	**The permit rules determine where and when Maya can sell on town property. Trash collection and sidewalk repairs make the market usable for sellers and shoppers.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Federal minimum wage rules set a pay floor for covered employees, which affects the bicycle shop's labor costs. State consumer protection laws prohibit misleading repair prices, helping customers compare services. Local zoning rules determine whether the shop may open near the park. These decisions affect what the shop pays, how it treats customers, and where it operates.

Accept other accurate effects supported by the passage in Part 2. For Part 3, accept realistic actions at all three levels when the student explains an effect for each and uses examples beyond those in the passage.